

Message Text

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ACTION EB-08

INFO OCT-01 IO-14 ISO-00 L-03 FRB-01 OMB-01 ITC-01
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UNCLAS SECTION 01 OF 02 GENEVA 03696

E.O. 11652: N/A

TAGS: UNCTAD, EGEN

SUBJECT: UNCTAD: GROUP OF EXPERTS ON REVERSE TRANSFER
OF TECHNOLOGY

1. SUBJECT MEETING CONCLUDED ITS PROCEEDINGS ON THE EVENING OF MARCH 7, 1978 WITH THE ADOPTION OF A DETAILED REPORT AND AGREED CONCLUSIONS AND RECOMMENDATIONS SUBMITTED BY THE CHAIRMAN. THE CONCLUSIONS AND RECOMMENDATIONS RESULTED FROM A COMPROMISE AMALGAMATION OF A SET OF DRAFT RECOMMENDATIONS SUBMITTED BY THE G-77 AND COMMENTS ON THEM SUBMITTED BY GROUP B. ALL THREE DOCUMENTS, ALONG WITH THE REPORT, ARE BEING SENT BY AIRGRAM TO THE DEPARTMENT AND USUN. GROUP B REMAINED STRONGLY UNIFIED THROUGHOUT THE MEETING AND WAS ABLE TO DEFUSE THE LARGE MAJORITY OF UNREALISTIC G-77 RECOMMENDATIONS. REVENUE SHARING PROPOSALS WERE REJECTED BY GROUP B AS BEING NON-NEGOTIABLE, ALTHOUGH THE G-77 INSISTED ON NOTING THEIR INTEREST IN STUDYING SUCH PROPOSALS AND THEIR REGRET THAT GROUP B FOUND SUCH STUDY
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UNACCEPTABLE. GROUP D ATTEMPTED TO PLAY THE SPOILER ROLE BY FULLY SUPPORTING THE G-77 THROUGHOUT.

2. THE CONCLUSIONS NOTED THE NEED FOR MORE COMPREHENSIVE STUDIES WITHIN THE UN SYSTEM OF THE MULTIFACETED NATURE OF THE BRAIN DRAIN PROBLEM AND CONCEDED A ROLE TO UNCTAD IN THE PURSUANCE OF SUCH STUDIES. THE RECOMMENDATIONS

TOOK THE FORM OF (A) A REQUEST THAT THE UNCTAD SYG TRANSMIT THE REPORT OF THE MEETING WITH THE PREVIOUSLY PREPARED DOCUMENTATION TO THE 65TH SESSION OF ECOSOC, THE CONFERENCE ON TECHNICAL COOPERATION AMONG DEVELOPING COUNTRIES AND THE UN CONFERENCE ON SCIENCE AND TECHNOLOGY FOR DEVELOPMENT; (B) A REQUEST THAT THE UNCTAD SYG CONTINUE, WITHIN THE UNCTAD WORK PROGRAM, HIS STUDIES OF SKILLED MANPOWER FLOWS AND THE MODALITIES FOR CO-OPERATION AT THE NATIONAL, REGIONAL AND INTERNATIONAL LEVELS, AND TO EXAMINE THE FEASIBILITY OF PROPOSALS REGARDING COOPERATIVE EXCHANGES OF SKILLS AMONG DEVELOPING COUNTRIES; AND (C) A RECOMMENDATION TO THE COMMITTEE ON TRANSFER OF TECHNOLOGY "TO CONSIDER APPROPRIATE ARRANGEMENTS, INCLUDING THE NECESSITY OF CONVENING A GROUP OF EXPERTS, IN LIGHT OF THE COORDINATION DECISIONS OF THE UNITED NATIONS SYSTEM, ON THE FEASIBILITY OF MEASURING HUMAN RESOURCE FLOWS."

3. THE MEETING GOT OFF TO AN INAUSPICIOUS START WITH IMMEDIATE CONFUSION AS TO WHICH GROUP WOULD PROVIDE THE CHAIRMAN. THE SECRETARIAT HAD APPARENTLY CONVINCED THE G-77 THAT A FINNISH DELEGATE, NOT IN ATTENDANCE, WOULD CHAIR THE MEETING. WHEN INFORMED BY GROUP B THAT THE FINN IN QUESTION HAD NOT A CLUE THAT SUCH A FATE WAS AWAITING HIM, THE G-77 NOMINATED AHMED SAMIR MOKHTAR OF EGYPT AS CHAIRMAN. GROUP B SUPPLIED THE RAPPORTEUR
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(LEROUX OF FRANCE), WITH GROUP D PROVIDING ONE VICE CHAIRMAN AND THE G-77 THE REMAINING TWO. ONCE THE CHAIRMANSHIP ISSUE HAD BEEN RESOLVED, GROUP B CONTESTED THE SECRETARIAT'S VERSION OF THE AGENDA, WHICH WENT BEYOND THE TERMS OF REFERENCE OF THE MEETING. THE AGENDA WAS CONSEQUENTLY REARRANGED TO CONTAIN AN ITEM (3) ON THE EXAMINATION OF THE MAGNITUDE, COMPOSITION, CAUSES AND EFFECTS OF THE REVERSE TRANSFER OF TECHNOLOGY AND AN ITEM (4) ON RECOMMENDATIONS FOR ACTION AT THE NATIONAL LEVEL AND AT THE INTERNATIONAL LEVEL.

4. DISCUSSION ON AGENDA ITEM 3 REVEALED WIDE DISCREPANCIES BETWEEN GROUP B AND G-77 DELEGATIONS. THE GROUP B SPOKESMAN (USDEL) AND SEVERAL INDIVIDUAL GROUP B DELEGATIONS EMPHASIZED THE NON-ECONOMIC "PUSH" FACTORS SUCH AS POLITICAL INSTABILITY, POOR RESEARCH FACILITIES AND DISTORTED EDUCATIONAL PRIORITIES IN DEVELOPING COUNTRIES WHICH CONTRIBUTE TO THE BRAIN DRAIN PROBLEM, WHEREAS THE G-77 DELEGATIONS EMPHASIZED THE ECONOMIC LOSSES SUFFERED BY DEVELOPING COUNTRIES. THE COMPUTATION OF THESE LOSSES THROUGH IMPUTING CAPITAL VALUE TO HUMAN RESOURCE FLOWS, HOWEVER, WAS CONTESTED BY GROUP

B DELEGATIONS, WHICH CHALLENGED BHAGWATI METHODOLOGY FOR COMPUTATION OF SUCH FLOWS, PERTINANCY OF ANY SUCH EXERCISE AND CITED THE INSUFFICIENCY OF STATISTICAL DATA TO PERMIT RELIABLE INTERNATIONAL RESOURCE FLOW ACCOUNTING. GROUP B ALSO NOTED THAT THE SECRETARIAT-SPONSORED STUDIES CONCENTRATED ONLY ON ASIAN COUNTRIES' BRAIN DRAIN PROBLEMS, WHICH COULD ONLY LEAD TO INHERENTLY DISTORTED RESULTS.

5. RECOMMENDATIONS FOR ACTION PROPOSED BY THE G-77 WERE HEAVILY ORIENTED TOWARD SOME FORM OF REVENUE SHARING BETWEEN DEVELOPED AND DEVELOPING COUNTRIES. HOWEVER, GROUP B STOOD FIRM IN TERMING THE BHAGWATI TAXATION PROPOSALS NON-NEGOTIABLE, DUE TO THEIR UNACCEPTABLE CONSTITUTIONAL, ETHICAL AND ADMINISTRATIVE IMPLICATIONS.

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MOST GROUP B DELEGATIONS REFUSED TO CONSIDER
EVEN THE FURTHER STUDY OF SUCH REVENUE SHARING PROPOSALS.

6. COMMENT: ALTHOUGH THE MEETING DID NOT RESULT IN ANY
SPECIFIC RECOMMENDATIONS WHICH ARE LIKELY TO CREATE

MAJOR PROBLEMS FOR GROUP B, IT WAS CLEAR FROM THE DEPTH OF DISCUSSION OF THE ISSUES AND THE SECRETARIAT'S INTEREST (IN THE PERSON OF SURENDRA PATEL) IN THE TOPIC, THAT IT IS IMPROBABLE THAT THE ISSUE WILL DIE FOR LACK OF INTEREST. THEREFORE, MISSION BELIEVES IT WOULD BE WISE FOR THE DEPARTMENT TO CONSIDER CONTRACTING FOR APPROPRIATE ACADEMIC STUDIES OF THE BRAIN DRAIN PROBLEM WHICH WOULD COUNTERACT THE STUDIES SPONSORED BY THE UNCTAD SECRETARIAT. GIVEN ITS DEMONSTRATED BIAS TOWARD COMPENSATORY SCHEMES, THE U.S. CANNOT EXPECT UNCTAD TO COME UP WITH WHAT COULD BE CONSIDERED OBJECTIVE STUDIES OF THE PROBLEM. MISSION ALSO RECOMMENDS THAT EVERY EFFORT BE UNDERTAKEN WITHIN THE CPC AND OTHER COORDINATING MACHINERY IN NEW YORK TO FURTHER DEFINE AND LIMIT, IF POSSIBLE, THE COMPETENCE

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OF UNCTAD ON THE BRAIN DRAIN ISSUE. PLEASE NOTE THAT THE KEY PHRASE IN THE LAST RECOMMENDATION OF THE MEETING, PLACED THERE UPON THE INSISTENCE OF GROUP B, IS THAT THE NECESSITY OF CONVENING ANOTHER EXPERTS' GROUP IN UNCTAD ON THE BRAIN DRAIN IS TO BE DETERMINED "IN LIGHT OF THE COORDINATION DECISIONS OF THE UN SYSTEM."

VANDEN HEUVEL

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